STATE OF TENNESSEE

Office of the Attorney General



HERBERT H. SLATERY III ATTORNEY GENERAL AND REPORTER

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April 15, 2019

Diane Musi, Esq.
General Counsel
Care.com, Inc.
77 4th Avenue, Suite 5
Waltham, Massachusetts 02451

Registered Agent: CT Corporation System 155 Federal St., Suite 700 Boston, Massachusetts 02110

Re: Advertisements by Unlicensed Childcare Providers on Care.com

Dear Ms. Musi:

The Tennessee Attorney General's Office seeks your assistance to stop deceptive childcare provider advertising on your website. After you have had an opportunity to consider our letter, we hope to meet and discuss potential changes to online advertising that misleads Tennessee consumers about childcare providers' claims of licensure.

Over the past year, Tennessee childcare facilities have experienced an increase in infant deaths. We believe that many consumers that utilize these unlicensed childcare facilities find them through your organization's internet service, Care.com. The State of Tennessee's Department of Human Services (DHS), Division of Consumer Affairs, and Attorney General's Office are currently conducting an industry-wide investigation of childcare facility advertisements and related web-hosting sites in an effort to keep children from harm's way in unlicensed facilities, as such facilities may pose a risk to child health safety. We hope to meet with you to further discuss how your organization can help us combat this growing problem and ensure safe childcare environments for children in our state.

DHS is the primary state agency charged with regulating and inspecting licensed child care agencies in Tennessee. As part of its mandate, DHS reviews providers' applications, issues licenses when appropriate, monitors for licensing compliance, investigates complaints, and institutes legal enforcement actions when appropriate. In Tennessee, any individual or company that is providing care and supervision for five or more unrelated children for three or more hours per day must be licensed by DHS. Operating a

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child care agency without the required license is a Class A misdemeanor under Tennessee Code Annotated § 71-3-505. In order to obtain a license, a provider must register with the state, pay the required fee, complete a criminal background check, and have the facility evaluated and deemed adequately safe by DHS staff.

DHS, in the course of its duties, receives complaints and tips regarding potential unlicensed childcare facilities. When DHS receives such a complaint or tip, the licensing staff will attempt to visit the location and rectify the lack of licensure and any other issues. However, sometimes DHS is not alerted about a potential unlicensed childcare facility until a child injury or death has occurred. DHS and the Attorney General's Office are hoping to address this issue by confronting licensing concerns at earlier stages of the childcare provision process.

In 2018, five of the six infant deaths in childcare facilities across Tennessee occurred in unlicensed facilities. During that time, at least eighteen unlicensed childcare facilities operated throughout Tennessee. DHS found that a number of unlicensed facilities advertise on websites like yours, often falsely claiming to be fully licensed. Three examples of these types of advertisements found on www.care.com are provided in Exhibit A. Each facility is or has been operating in Tennessee and lists 'State licensed' under its credentials section. DHS's investigation indicates that none of these facilities are in fact licensed by Tennessee.

Tennessee law prohibits deceptive or unfair trade practices, including false or misleading advertising. Specifically, it is unlawful to cause a "likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services" or "as to the affiliation, connection or association with, or certification by, another." Tenn. Code Ann. § 47-18-104(b)(2)–(3). By claiming to be state-licensed when they are not, these childcare providers are in direct violation of the Tennessee Consumer Protection Act (TCPA).

Our intention is to stop unlicensed childcare facilities from operating, or at least from attracting new customers, before more infant deaths occur. We hope that a significant part of this effort will include working with your organization to stop these facilities from publishing deceptive advertising in the first instance. We would like to meet and discuss these issues and potential solutions with your team as soon as is practicable for you. In addition, we would like to review additional information regarding how your website monitors and tracks providers who are claiming to have certain credentials, such as state licenses, as well as any complaints you have received about Tennessee childcare providers making false or misleading claims on your site.

We plan to reach out to you during the next week. If there is a day and time that works well for you, please feel free to let me know at the email address or phone number below. We look forward to speaking with you.

Diane Musi, Esq.

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Sincerely,

Caroline Drinnon

Assistant Attorney General Consumer Protection Division

Office of the Tennessee Attorney General

caroline.drinnon@ag.tn.gov

(615) 532-7801

Cc: Travis Brown

Assistant Attorney General Consumer Protection Division Office of the Tennessee Attorney General

Claire Marsalis
Director, Division of Consumer Affairs
Tennessee Department of Commerce and Insurance

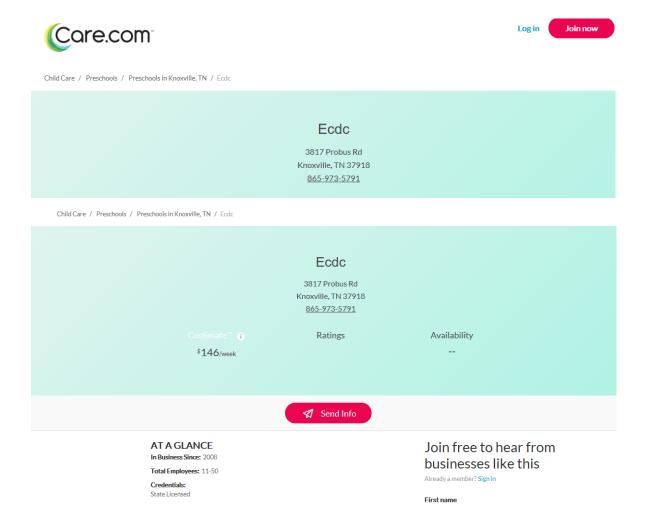
Rebekah A. Baker Deputy General Counsel Tennessee Department of Human Services

Allison C. Jennings Assistant General Counsel Tennessee Department of Human Services

Exhibit A

Examples of Unlicensed Childcare Posts on Care.com

Example 1



Example 2

Brighter Daycare 2111 Golfield Court Murfreesboro, TN 37127 615-410-7458 Costimate™ (i) Ratings Availability \$124_{/week} --

ABOUT THE BUSINESS

Christian at home childcare that brings quality learning experiences to your little angel while you are away.

My name is Alexis and I own an at home childcare center in the Murfreesboro area. We are the cheapest structured center that you will find in Murfreesboro. We believe in educating children to prepare them for success in Kindergarten.

AT A GLANCE

In Business Since: 2006 Total Employees: 2-10

Credentials: State Licensed

Join free to hear from businesses like this

Already a member? Sign in

First name		
Last name		
Address		

Example 3

Om Baby - Care.com Knoxville, TN

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We do field trips and lots of activities each month which I cover costs. My current 2-year-olds who started with us when they were 3 months can already read an average of 35 words and by 8 months knew baby sign language. We treat the daycare similar to a preschool with lots of learning, reading, art and my favorite lots of loving. These babies and their parents become family.

It's \$200 to reserve a spot if you're not starting within 2 weeks. \$100 goes towards your first week of care. Since the age 16 every job I've had has included children. My first babysitting/ nanny gig was when I was 16 and it was newborn triplets! I was a nanny for 2 families long term before I started the daycare. I'm a licensed foster home and I've fostered over 30 children.

I'm CPR and first aid certified. I'm a certified seal swim instructor and offer swimming lessons over the summer for \$150.

A few things that set us apart from all the other facilities are:

- New moms who pay a deposit to reserve a spot prior to delivery will receive a week of meal prep as a thank you and congrats!
- 2. I offer part time care at a part time rate.
- I offer drop in care with no contract. You pay for the days you need. Sometimes a day with the girls is just
 what morroy needs to keep her sanity.
- 4. Included in rate is one date night a month as well as on mommy and daddy birthday and anniversary.

I began doing in home daycare in 2010 with a 2 year break and then back again in 2014 and have a proven history of dependability, professionalism and care.

I offer and established routine with a play-based learning concept. I prefer to start younger children and care for them until they age on to preschool or kindergarten. I have a large sunny play room that is arranged and equipped for the current needs of the children I keep. I have a large sunny living room that is set up for all my nb to separate them from the play room. There is a large fenced in play area for the children.

I look forward to hearing from you!

AT A GLANCE

In Business Since: 2010

Total Employees: 2-10

Credentials: State Licensed,

First Aid Training, CPR Training